

## Message Text

SECRET

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ACTION ARA-10

INFO OCT-01 ISO-00 SS-14 SP-02 L-01 H-01 IO-06 PM-03  
PA-01 INR-05 SAB-01 /045 W  
-----049983 302323Z /63  
P 302153Z MAR 78  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC PRIORITY 6333

S E C R E T SECTION 1 OF 2 PANAMA 2114

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E.O. 11652: GDS  
TAGS: PINT, PBOR, PN  
SUBJECT: THE MOOD IN PANAMA: BETWEEN UNEASINESS AND GRIMNESS

SUMMARY: THE SENATE'S ATTACHMENT TO THE NEUTRALITY TREATY OF VARIOUS ADDENDA, ESPECIALLY THE DECONCINI CONDITION, HAS SHIFTED PUBLIC OPINION AWAY FROM OPTIMISM SOME WEEKS AGO TO UNEASINESS AND EVEN GRIM FRUSTRATION. THE GOVERNMENT HAS ADOPTED AN OFFICIAL POLICY OF SILENCE, BUT MANY PEOPLE WHO ARE GOVERNMENT SUPPORTERS ARE PRIVATELY (AND WITH MORE CAUTION, PUBLICLY) OPINING THAT DECONCINI CANNOT BE ACCEPTED PARTLY THIS IS A REACTION OF ANGER, AS THEY LEARN WHAT IT SAYS, BUT EVEN SO IT HARDLY BODES WELL FOR THE TREATIES. TORRIJOS WILL PROBABLY BE ABLE TO STICK BY HIS RESOLVE TO WITHHOLD A FINAL DECISION UNTIL THE SENATE HAS PRONOUNCED ON THE PENDING CANAL TREATY. BUT EVEN IF THERE ARE NO NEW HORRORS IN THE SECOND TREATY, OUR GUESS IS THAT -- UNLESS DECONCINI IS SOMEHOW CONSIDERABLY ATTENUATED -- TORRIJOS PROBABLY WILL NOT RPT NOT ACCEPT IT. HOW TO ACHIEVE THAT ATTENUATION IS THE PROBLEM. END SUMMARY

1. THE FULL IMPACT OF THE DECONCINI CONDITION IS  
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SINKING INTO THE CONSCIOUSNESS OF PANAMA'S POLITICALLY LITERATE. IT NOW HAS BEEN PUBLISHED IN ALL PAPERS -- TWICE IN TWO OF THEM. MARIO VELASQUEZ, PANAMA'S PREMIER TV COMMENTATOR AND A FREQUENT CATS-PAW FOR TORRIJOS, MARCH 28 READ TO HIS LISTENERS SENATOR DECONCINI'S SPEECH EXPLAINING TO THE SENATE WHY HE PROPOSED THE CONDITION. A COLUMNIST IN GOVERNMENT-

CONTROLLED "MATUTINO" ALSO PUBLISHED THIS SPEECH, WHICH IS WIDELY INTERPRETED HERE AS EXPRESSING DECONCINI'S INTENTION OF LEGALIZING UNILATERAL U.S. INTERVENTION IN PANAMA. SEVERAL PAPERS HAVE REPRINTED A "TIME" MAGAZINE ARTICLE WHICH IMPLIES THAT PRESIDENT CARTER -- IN ACCEPTING THE RESERVATION -- BROKE A PROMISE TO TORRIJOS.

2. WE HAVE BEEN GATHERING THE OPINIONS OF AS MANY PANAMANIAN AS WE CAN. THE CONVICTION SEEMS UNANIMOUS THAT DECONCINI IS VERY BAD MEDICINE FOR PANAMA. THE REACTION IS USUALLY EMOTIONAL, ANGRY AND FRUSTRATED. INDEED, MOST OF THOSE WITH WHOM WE HAVE TALKED, WHETHER TORRIJOS SUPPORTERS OR NOT, USE WORDS LIKE "UNACCEPTABLE" TO DESCRIBE IT.

THERE IS A MINORITY SENTIMENT THAT TORRIJOS WILL "SOMEHOW" BRING THE COUNTRY TO ACCEPT DECONCINI, HOWEVER RELUCTANTLY. THESE OPTIMISTS HOLD OUT HOPE THAT THE SENATE (OR THE ADMINISTRATION) CAN "SOMEHOW" UNDO SOME OR ALL OF THE DAMAGE DONE IN DECONCINI.

4. BECAUSE OF THE GOVERNMENT'S EARLY INJUNCTION TO PANAMANIAN -- AND THE PRESS IN PARTICULAR -- TO AVOID BEING UNHELPFUL ON TREATY QUESTIONS (PANAMA 1841), VIEWS ABOUT THE SENATE'S ACTION WERE AT FIRST SLOW IN APPEARING IN PRINT OR ON THE AIR. BUT NOW THERE ARE  
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ADVERSE PUBLIC COMMENTARIES EVERY DAY. SOME COMMENTATORS -- SUCH AS CAMILO PEREZ, VELASQUEZ AND OTHERS -- HAVE SEEMED TO BE HOLDING BACK FROM THE BLAST THEY WOULD LIKE TO ISSUE. THEY HAVE STOPPED JUST SHORT OF FLATLY REJECTING THE TREATIES IF DECONCINI IS APPENDED. OTHER WRITERS, NOT ASSOCIATED WITH THE GOVERNMENT, ARE PULLING NO PUNCHES. "MATUTINO" OF MARCH 30 CARRIED AN ARTICLE BY TREATY OPPONENT CARLOS BOLIVAR PEDRESCHI, IN WHICH HE URGED THE GOVERNMENT TO REJECT THE AMENDMENTS, RESERVATIONS AND CONDITIONS. THE INDEPENDENT LAWYERS MOVEMENT HAS ALSO ISSUED A STATEMENT ATTACKING IN PARTICULAR THE NUNN AND DECONCINI PROVISIONS AS UNACCEPTABLE ADDITIONS TO THE SUBSTANCE OF THE TREATIES (SEPTEL).

5. THE COMMENTATORS WHO ORDINARILY MOST CLOSELY REFLECT GOVERNMENT VIEWS HAVE APPROACHED, BUT CAREFULLY STOPPED SHORT OF, TOTAL REJECTION. FOR EXAMPLE, THE "CRITICA" EDITORIAL OF MARCH 28 STATES THAT DECONCINI "CANNOT BE ACCEPTED," BUT IT DRAWS BACK SLIGHTLY BY PROMISING FURTHER STUDY OF THE "ERRORS" OF THE VARIOUS ADDENDA (PANAMA 2035). VELASQUEZ HAS AVOIDED DRAWING FIRM

CONCLUSIONS. BUT HE HAS PAINTED A PICTURE WHICH WOULD LEAD MOST LISTENERS TO CONCLUDE THAT, WITH DECONCINI, THE TREATIES WOULD SERVE PANAMA BADLY. EVEN COLUMNISTS CLOSE TO THE GOVERNMENT HAVE BEEN SAYING THAT ACCEPTABLE OR NOT, THE PACKAGE HAS ALREADY BEEN SO CHANGED THAT A NEW PLEBISCITE IS REQUIRED.

6. SINCE MARCH 16, THE DAY OF THE SENATE APPROVAL, WHEN ROMULO ESCOBAR BETHANCOURT SAID THE TREATIES SEEMED "RATHER POTABLE", THE PANAMANIAN GOVERNMENT ITSELF HAS MADE NO EFFORT TO SEEL DECONCINI AND ITS SISTER RESERVATIONS, ETC., TO THE PEOPLE HERE. THIS SILENCE HAS BEEN BROKEN ONLY BY APPEALS TO THE PEOPLE NOT TO MAKE HASTY JUDGMENTS -- TO FOLLOW THE GOVERNMENT'S  
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EXAMPLE IN AWAITING ACTION ON THE OTHER TREATY BEFORE MAKING A FINAL DECISION.

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TO SECSTATE WASHDC PRIORITY 6334

S E C R E T SECTION 2 OF 2 PANAMA 2114

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7. IT IS INTERESTING THAT LITTLE HAS BEEN HEARD FROM ESCOBAR SINCE HIS "POTABLE" SPEECH. HE WAS ABSENT FROM THE VARIOUS HIGH-LEVEL MEETINGS WHICH HAVE BEEN HELD DURING THE PAST WEEK OR TEN DAYS. AND IT WAS ROYO, NOT ESCOBAR, WHO WENT TO WASHINGTON AND TO CARACAS ON

TORRIJOS' BEHALF. IT APPEARS ESCOBAR EXCEEDED HIS MANDATE IN SO READILY JUDGING THE TREATIES POTABLE. A MORE UP-TO-DATE POLICY STATEMENT WOULD SEEM TO BE THAT THE PANAMANIAN GOVERNMENT WILL BE TRYING TO "GET RID OF" THIS "CLAIMED RIGHT TO INTERVENE" (PANAMA 2102).

8. SO FAR, THOUGH THERE ARE KNOWN SPLITS WITHIN THE GOVERNMENT ON WHAT IT SHOULD DO, THERE HAVE BEEN NO DESERTIONS FROM THE OFFICIAL WAIT-AND-SEE POLICY. AS IN THE PRE-PLEBISCITE DEBATE, A FEW OF THOSE WHO OPPOSED THE TREATY IN THE PLEBISCITE ARE BEING ALLOWED TO STATE THEIR VIEWS ABOUT THE SENATE'S ADDENDA. BUT GOVERNMENT SUPPORTERS ARE APPARENTLY ENJOINED FROM PUBLICLY DECLARING THAT DECONCINI KILLS THE TREATIES. IN FACT, THE "OFFICIAL LINE" WHICH SOME OFFICIALS ARE GIVING IN PRIVATE CONVERSATIONS IS THAT DECONCINI WOULD NOT SEEM TO BE A MAJOR ADDITION TO THE TREATY, AND AS FAR AS FOR  
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ITS ACCEPTABILITY, THAT IS STILL BEING STUDIED.

9. IT IS FAIRLY CLEAR THAT NEITHER PUBLIC OPINION NOR THE GOVERNMENT HAS DECIDED WHAT SHOULD BE DONE NOW. BOTH HOPE AGAINST HOPE THAT SOMETHING WILL HAPPEN IN THE CONSIDERATION OF THE SECOND TREATY WHICH WILL CANCEL OR NEUTRALIZE MUCH IF NOT ALL OF THE "INTERVENTIONIST" EFFECT OF THE "AMENDMENTS" -- MAINLY DECONCINI.

10. THE FACT THAT THERE HAS BEEN NO PUBLIC EFFORT TO SELL DECONCINI ET AL HAS GIVEN THE INITIATIVE TO TREATY OPPONENTS. IT PROBABLY ALSO INDICATES THAT TORRIJOS HAS NOT DECIDED WHETHER HE WILL TRY TO SEEL IT AT ALL.

11. HE WOULD UNDOUBTEDLY LIKE TO WAIT UNTIL HE CAN SEE THE WHOLE PACKAGE -- I.E., BOTH TREATIES AS APPROVED. HE PROBABLY WILL BE ABLE TO WAIT THAT LONG, THOUGH THE PRESSURE ON HIM TO COMMIT HIMSELF ON DECONCINI IS GROWING. ANY GALLING CHANGES IN THE SECOND TREATY WOULD UNDOUBTEDLY INCREASE THE LIKELIHOOD OF TORRIJOS' REJECTION OF THE TREATIES AS DOCTORED BY THE SENATE. ASSUMING THAT HE WILL RESERVE HIS DECISION UNTIL THE SENATE ACTS ON THE OTHER TREATY AND ASSUMING THAT IT IS APPROVED WITH NO PARTICULARLY "BAD" AMENDMENTS, TORRIJOS' OPTIONS WOULD SEEM TO BOIL DOWN TO THESE:

A. ACCEPT THE SENATE'S ACTIONS AND EXCHANGE RATIFICATIONS, HOPING TO RIDE OUT ANY STORMS.

B. ACCEPT THE TREATIES AS CHANGED, BUT HOLD ANOTHER

PLEBISCITE.

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C. APPROVE THE TREATIES, BUT ONLY ON CONDITION THAT DECONCINI (AND PERHAPS OTHERS) ARE RESCINDED OR SOMEHOW MADE LESS OBJECTIONABLE (RECOGNIZING THAT THIS MIGHT LEAD TO THE TREATIES' FAILURE). THIS COULD ENTAIL COUNTER-RESERVATIONS BY PANAMA OR UNILATERAL ACTION BY THE U.S.

D. REJECT THE TREATIES AS APPROVED BY THE SENATE. THIS COULD BE DONE BY HOLDING A PLEBISCITE IN WHICH THE GOVERNMENT WOULD WITHHOLD ITS SUPPORT FOR THE TREATIES, BY MAKING DEMANDS ON THE U.S. WHICH IT KNEW COULD NOT BE ACCEPTED, OR BY TAKING MORE FLAMBOYANT ACTION SUCH AS, SAY, TAKING THE QUESTION TO THE U.N., OR DENOUNCING THE 1903 TREATY.

12. OPTION A HAS ALWAYS BEEN TOUGH AND IS BECOMING MORE DIFFICULT. AS FOR OPTION B, THE PLEBISCITE CONTINUES TO BE VERBOTEN, SINCE THE GOVERNMENT IS AFRAID IT WOULD LOSE. IN OUR JUDGMENT, WITH DECONCINI AS PART OF THE PACKAGE, IT PROBABLY WOULD LOSE IN AN HONEST VOTE. AS FOR OPTION C, IT IS CERTAIN THAT PANAMA WILL BE DOING WHAT IT CAN TO DEFANG DECONCINI. ASSUMING WE COOPERATE, IT WILL BE UP TO TORRIJOS TO DECIDE WHETHER THE OPERATION IS SUCCESSFUL. TO ENTER RESERVATIONS (THE EFFECT OF WHICH WOULD BE TO COUNTER DECONCINI) OR OTHERWISE OPEN NEGOTIATIONS TO IMPROVE DECONCINI WOULD HAVE THE VIRTUE IN TORRIJOS' EYES OF BUYING TIME AND PERHAPS OPENING UP SOME UNSEEN AVENUE OF ESCAPE. OPTION D OF COURSE WOULD AMOUNT TO AN ADMISSION OF FAILURE. BUT IF FAILURE IS COMING ANYWAY, IT WOULD HAVE THE VIRTUE OF RALLYING THE COUNTRY -- AND PERHAPS MUCH OF THE WORLD -- AROUND HIM.

13. THE SITUATION HERE IS TENSE. TORRIJOS, HIS GOVERNMENT AND THE POLITICALLY LITERATE GENERALLY ARE AWARE THAT THE DAY OF JUDGMENT IS COMING, AND THEY DO  
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NOT LIKE WHAT THEY SEE AS THE ALTERNATIVES BEFORE THEM. WE BELIEVE THE CHANCES FOR REJECTION OF THE TREATIES ARE HIGHER THAN 50-50 IF DECONCINI IS NOT SOMEHOW ATTENUATED FAIRLY CONSIDERABLY.

JORDEN

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**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Approved on Date:**  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014